

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

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| In the Matter of         | ) |                      |
|                          | ) |                      |
| Universal Service Reform | ) | WT Docket No. 10-208 |
|                          | ) |                      |
| Mobility Fund            | ) |                      |
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**Reply Comments of  
Communications Workers of America**

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The Communications Workers of America (“CWA”) submits these Reply Comments in support of the Commission’s proposal to create a targeted, one-time Mobility Fund to support build-out of wireless infrastructure in areas that do not have access to current-generation 3G mobile voice or broadband services.<sup>1</sup> CWA represents 700,000 workers in communications, media, airlines, manufacturing, and public service, including 42,000 wireless workers.

CWA makes the following recommendations on the structure of the Mobility Fund:

**1. The Mobility Fund should be established as a one-time support mechanism capped at \$100 million.** Since 98.5 percent of the U.S. population has access to 3G wireless services, most commentators in this proceeding concur that there is some value to the creation of a dedicated Mobility Fund, but that it should be limited in size and scope in order to reserve Universal Service support for more comprehensive reform.<sup>2</sup>

The Commission’s top priority should be to move forward expeditiously with the creation of the Connect America Fund (“CAF”) to transform today’s Universal Service Fund to one that supports affordable, universal broadband deployment and adoption.<sup>3</sup> As recommended by the National Broadband Plan, the CAF would provide funding in geographic areas where there is no private sector business case to provide broadband and high-quality voice service. Any eligible

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<sup>1</sup> *Universal Service Reform, Mobility Fund*, Notice of Proposed Rulemaking, WT Docket No. 10-208, Oct. 14, 2008 (rel). (“NPRM”)

<sup>2</sup> Although American Roamer data shows that 98.5 percent of U.S. population is covered by 3G wireless, some states, such as West Virginia at 71 percent, have substantially lower 3G coverage. *See* NPRM, 4; FCC, *Connecting America: The National Broadband Plan*, March 2010, 22 and 146 (“NBP”).

<sup>3</sup> Comments of CenturyLink, 2-4; Comments of Windstream Communications, Inc.; Comments of Free Press.

carrier would be allowed to compete for CAF support.<sup>4</sup> Therefore, once the CAF is operational, there would no longer be need for a separate Mobility Fund.

The Commission must ensure that maximum USF support is available for CAF broadband programs, particularly in light of the large discrepancy between current USF funding levels (less than \$5 billion annually in high-cost support) and the \$24 billion investment the Commission calculates will be needed to achieve universal broadband accessibility at minimum speeds of four Mbps downstream and one Mbps upstream.<sup>5</sup> Achieving world-class broadband capable of 100 Mbps or more in both directions would cost even more -- an estimated \$350 billion.<sup>6</sup>

Moreover, because efficient use of wireless spectrum requires investment in a robust wireline network, the Commission should minimize establishment of support mechanisms that create artificial barriers between investment in fixed and mobile technologies. Deploying fiber-optic networks deeper into neighborhoods allows greater use of limited wireless spectrum and helps overcome some of its technical constraints. In addition, many data-intensive broadband applications that require real-time two-way video, such as certain home health monitoring services, distance learning, home business needs, or smart appliances, will depend on networks that deliver higher-capacity than even next-generation 4G wireless networks optimistically will

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<sup>4</sup> *NBP*, 145-6.

<sup>5</sup> *NBP*, 137.

<sup>6</sup> FCC, Powerpoint Presentation to Commission Meeting, Sept. 29, 2009, 45.

be able to deliver, especially when users engage in multiple bandwidth-intensive activities at the same time.<sup>7</sup>

For all these reasons, the Commission should limit the one-time Mobility Fund allocation to \$100 million.

**2. The Mobility Fund should be targeted to areas in which there is currently no mobile service at all.** As AT&T notes, ranking bids for truly unserved areas ahead of bids proposing to upgrade existing networks to 3G or better will provide the “biggest bang for the buck” by directing support to areas where there is no wireless service at all. In addition, it would be challenging, if not impossible, for the Commission to identify the areas in which mobile service providers likely would upgrade existing 2G networks absent Mobility Fund support. Finally, it is the absence of wireless service at all – not the absence of mobile broadband – that creates problems for public safety first responders, residents, and travelers.<sup>8</sup>

**3. Mobility Fund support should be available to only one provider per service area.** The purpose of Universal Service support, including support from the new one-time Mobility Fund, is to provide subsidies for critical communications services in areas in which there is no business case for private sector investment. The purpose of Universal Service support is *not* to promote competition policy. In fact, in high-cost low-density areas, it is likely most efficient to target public subsidies to one provider that can aggregate demand and maximize revenues.

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<sup>7</sup> According to former FCC Chief Technologies Dale N. Hatfield, “(P)olicymakers need to focus not only on the oft-stated long-term goal of encouraging Fiber to the Home, but also on the more immediate need to bring fiber significantly closer to the customer to support a vastly increased number of access nodes. This is particularly important in the wireless case where the capacity added through frequency reuse is critical to facilitating wireless competition with the two major suppliers of fixed broadband capacity – the incumbent telephone and cable television companies.” See Dale N. Hatfield, “The Challenge of Increasing Broadband Capacity,” *Federal Communications Law Journal*, 63:1, Dec. 2010, pages 43-66 (available at <http://www.law.indiana.edu/fclj/>).

**4. The Commission should establish reasonable benchmarks for Mobility Fund providers to meet regarding deployment, service, and rates.** It is reasonable for the Commission to require Mobility Fund recipients to build wireless infrastructure subsidized with Mobility Funds to nearly all of the population in a service area (95 percent or better), and to monitor to ensure that rates and terms are reasonably similar to the provider's and the industry average. The Commission should also monitor quality of service provided to customers, and should adopt service standards in a more comprehensive rulemaking that would cover all recipients of Universal Service support. The Commission should not impose data roaming requirements, since such an obligation is unrelated to the stated goal of the Mobility Fund.

**5. The Commission should limit Mobility Fund eligibility to companies that abide by the highest standards of labor relations.** Good labor-management relations promote quality customer service and efficient use of resources. Commission policy should therefore promote quality labor relations at companies that receive benefits from Universal Service funds. The Commission should not allow companies that engage in activities that deny their employees their legal right to select union representation free of employer interference to bid on Mobility Fund subsidies.

Respectfully Submitted,

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<sup>8</sup> AT&T Comments, pages 4-5.